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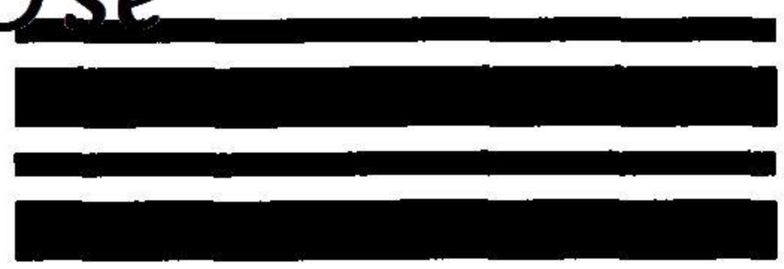

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SUFFOLK COUNTY CLERK
RECORDS OFFICE
RECORDING PAGE

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Type of Instrument: MORTGAGE
Number of Pages: 42
Receipt Number : 26-000613
MORTGAGE NUMBER: DQ027635

Recorded: 01/15/2026
At: 01:09:15 PM

LIBER: M00023707
PAGE: 327

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District:	Section:	Block:	Lot:
0904	001.00	02.00	004.003

EXAMINED AND CHARGED AS FOLLOWS

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Mortgage Amount: $2,200,000.00

Received the Following Fees For Above Instrument

		Exempt			Exempt
Page/Filing	$210.00	NO	Handling	$20.00	NO
COE	$5.00	NO	NYS SRCHG	$15.00	NO
Affidavit	$0.00	NO	Notation	$0.00	NO
Cert.Copies	$0.00	NO	RPT	$200.00	NO
RPT-MTG Fee	$200.00	NO	Mort.Basic	$11,000.00	NO
Mort.Addl	$6,600.00	NO	Mort.SplAddl	$5,500.00	NO
Mort.SplAsst	$0.00	NO			

Fees Paid $23,750.00

MORTGAGE NUMBER: DQ027635

THIS PAGE IS A PART OF THE INSTRUMENT
THIS IS NOT A BILL

VINCENT PULEO
County Clerk, Suffolk County

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1 | 2

Number of pages 42

42

This document will be public record. Please remove Social Security Numbers prior to recording.

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RECORDED
2026 Jan 15 01:09:15 PM
VINCENT PULEO
CLERK OF
SUFFOLK COUNTY
L M00023707
P 327
DQ027635

Deed / Mortgage Instrument	Deed / Mortgage Tax Stamp	Recording / Filing Stamps

3 FEES

Page / Filing Fee 410.00
Handling 20.00
TP-584
Notation
EA-52 17 (County) Sub Total 230.00
EA-5217 (State)
R.P.T.S.A. 20.00
Comm. of Ed. 50.00
Affidavit
Certified Copy
NYS Surcharge 15.00
Other 20.00
Sub Total 420.00
Grand Total 650.00

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Mortgage Amt. ~~3,200,000.00~~ 2,200,000.00
1. Basic Tax
2. Additional Tax
Sub Total
Spec./Assit.
or
Spec./Add.
TOT. MTG. TAX 23,100.00 or ow
Dual Town ____ Dual County ____
Held for Appointment
Transfer Tax
Mansion Tax

The property covered by this mortgage is or will be improved by a one or two family dwelling only.
YES x or NO #3

If NO, see appropriate tax clause on page # 36 of this instrument.

12/22/25

4 Dist. 09 5680843 0904 00100 0200 004003 03

Real Property Tax Service Agency Verification

PTS RCSKA 15-JAN-26

5 Community Preservation Fund

Consideration Amount $
CPF Tax Due $

Improved
Vacant Land
TD
TD
TD

6 Satisfactions/Discharges/Releases List Property Owners Mailing Address
RECORD & RETURN TO:
Coastline Title Agency, Inc
1440 Veterans Memorial Hwy
Islandia, New York, 11749

Mail to: Vincent Puleo, Suffolk County Clerk
310 Center Drive, Riverhead, NY 11901
www.suffolkcountyny.gov/clerk

7 Title Company Information
Co. Name Coastline Title Agency
Title # CLNY2025-1032

8 Suffolk County Recording & Endorsement Page

This page forms part of the attached Building Loan Mortgage And Security Agreement made by:
(SPECIFY TYPE OF INSTRUMENT)

111 Magee Development Partners, LLC

TO

Bayport Funding LLC

The premises herein is situated in SUFFOLK COUNTY, NEW YORK.

In the TOWN of Southampton
In the VILLAGE
or HAMLET of Southampton

BOXES 6 THRU 8 MUST BE TYPED OR PRINTED IN BLACK INK ONLY PRIOR TO RECORDING OR FILING.

(over)

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IMPORTANT NOTICE

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If the document you've just recorded is your SATISFACTION OF MORTGAGE, please be aware of the following:

If a portion of your monthly mortgage payment included your property taxes, *you will now need to contact your local Town Tax Receiver so that you may be billed directly for all future property tax statements.

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Local property taxes are payable twice a year: on or before January 10th and on or before May 31st. Failure to make payment in a timely fashion could result in a penalty.

Please contact your local Town Tax Receiver with any questions regarding property tax payment.

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Babylon Town Receiver of Taxes
200 East Sunrise Highway
North Lindenhurst, N.Y. 11757
(631) 957-3004

Brookhaven Town Receiver of Taxes
One Independence Hill
Farmingville, N.Y. 11738
(631) 451-9009

East Hampton Town Receiver of Taxes
300 Pantigo Place
East Hampton, N.Y. 11937
(631) 324-2770

Huntington Town Receiver of Taxes
100 Main Street
Huntington, N.Y. 11743
(631) 351-3217

Islip Town Receiver of Taxes
40 Nassau Avenue
Islip, N.Y. 11751
(631) 224-5580

Riverhead Town Receiver of Taxes
200 Howell Avenue
Riverhead, N.Y. 11901
(631) 727-3200

Shelter Island Town Receiver of Taxes
Shelter Island Town Hall
Shelter Island, N.Y. 11964
(631) 749-3338

Smithtown Town Receiver of Taxes
99 West Main Street
Smithtown, N.Y. 11787
(631) 360-7610

Southampton Town Receiver of Taxes
116 Hampton Road
Southampton, N.Y. 11968
(631) 283-6514

Southold Town Receiver of Taxes
53095 Main Street
Southold, N.Y. 11971
(631) 765-1803

Sincerely,

V Puleo

Vincent Puleo
Suffolk County Clerk

12-0104.. 06/06kd

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BUILDING LOAN MORTGAGE AND SECURITY AGREEMENT

Not For Legal Use

From

111 MAGEE DEVELOPMENT PARTNERS, LLC
as Mortgagor

to

Not For Legal Use

BAYPORT FUNDING LLC
as Mortgagee

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Dated Effective:	As of December 22, 2025
Premises:	111 Magee Street Southampton, New York 11968
District:	0904
Section:	001.00
Block:	02.00
Lot:	004.003
County:	Suffolk
State:	New York
Loan Amount:	$2,200,000.00
Title No.	CLNY2025-1032
Title Co.	Coastline Title Agency, as an agent for Westcor Land Title Insurance Company

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RECORD & RETURN TO:
Bayport Funding LLC
98 Cuttermill Road, Suite 424N,
Great Neck, New York 11021

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BUILDING LOAN
MORTGAGE AND SECURITY AGREEMENT

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THIS BUILDING LOAN MORTGAGE AND SECURITY AGREEMENT (as the same may be amended, restated, supplemented, replaced or otherwise modified from time to time, this "**Mortgage**") is made and entered into as of this 22nd day of December, 2025 by 111 MAGEE DEVELOPMENT PARTNERS, LLC, a New York limited liability company, having an address for purposes of notices and legal process at 347 Broadway, Carle Place, New York 11514 (the "**Mortgagor**"), as mortgagor, to BAYPORT FUNDING LLC, a New York limited liability company, having its principal office at 98 Cuttermill Road, Suite 424N, Great Neck, New York 11021 (the "**Mortgagee**"), as mortgagee.

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WITNESSETH, that to secure the (a) payment of that certain Indebtedness (as hereinafter defined), in the original principal amount of Two Million Two Hundred Thousand and 00/100 Dollars ($2,200,000.00) (the "**Loan Amount**"), lawful money of the United States, as evidenced by that certain Building Loan Promissory Note of even date herewith made by Mortgagor, as Borrower for the benefit of Mortgagee, as Lender (the "**Note**"), together with all interest payable under the Note, (b) the payment of all amounts, sums and expenses due under the Note, this Mortgage and any other Loan Document (as hereinafter defined) and (c) the payment and performance of such other obligations as are set forth in this Mortgage, and intending to be legally bound hereby, Mortgagor does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Mortgagee, and grants a security interest to Mortgagee in, the following property, rights, interests and estates now owned or hereafter acquired by Mortgagor (collectively, the "**Premises**"):

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ALL those certain plots, pieces or parcels of land located in the County of Suffolk and State of New York commonly known by the address 111 Magee Street, Southampton, New York 11968, as more particularly described in Exhibit "A" annexed hereto and hereby made a part hereof (the "**Land**");

TOGETHER with all additional lands, estates and development rights hereafter acquired by Mortgagor for use in connection with the Land and the development of the Land and all additional lands and estates therein which may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of this Mortgage;

TOGETHER with all buildings, structures and improvements of every kind and nature whatsoever now or hereafter located, erected, or placed upon the Land, and all extensions, additions, improvements, betterments, renewals, substitutions and replacements of or to any of the foregoing (collectively, the "**Improvements**");

TOGETHER with all machinery, appliances, apparatus, decorations, piping, conduits, fixtures, chattels, articles of personal property and other property now owned or hereafter acquired and/or now or hereafter attached to or used in connection with the Premises, including but not limited to furnaces, boilers, oil burners, radiators and piping, coal stokers, plumbing and bathroom fixtures, refrigeration, heating, ventilating and air conditioning systems, sprinkler systems, power

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systems, washtubs, sinks, gas and electric fixtures, stoves, ranges, awnings, screens, window shades, elevators, motors, dynamos, refrigerators, kitchen cabinets, incinerators, plants and shrubbery and all other equipment and machinery, building materials and components, appliances, fittings, and fixtures of every kind in or used in the operation of the buildings standing or hereafter erected on any or the Premises, together with any and all replacements thereof and additions thereto, proceeds or products thereof (collectively, the "**Equipment**"). The term "fixtures", as used herein, means all items that are physically attached to buildings, including, without limitation, items such as equipment used to supply air conditioning, heat, gas, water, light, laundry, drying, dishwashing, garbage disposal and other services, but excluding those items that are considered "consumer goods" under the law which Mortgagor acquires more than ten (10) days after the date of the Note;

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TOGETHER with all easements, rights-of-way, use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land and the improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Mortgagor of, in and to the Premises and the Improvements and every part and parcel thereof, with the appurtenances thereto;

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TOGETHER with all awards heretofore and hereafter made to Mortgagor for taking by eminent domain the whole or any part of the Land or any easement therein, including any awards for changes of grade of streets, which awards are hereby assigned to Mortgagee, who is hereby authorized to collect and receive the proceeds of such awards and give proper receipts and acquittances therefor, and to apply the same toward the payment of the mortgage debt, notwithstanding the fact that the amount owing thereon may not then be due and payable; and Mortgagor hereby agrees, upon request, to make, execute, and deliver any and all assignments and other instruments sufficient for the purpose of assigning said awards to Mortgagee, free, clear and discharged of any encumbrances of any kind or nature whatsoever;

TOGETHER with all right, title and interest of Mortgagor in and to all insurance or other proceeds of, and any unearned premiums on, any insurance policies required to be maintained by Mortgagor hereunder;

TOGETHER with the rents, income, issues and profits of all property covered by this Mortgage which are assigned to Mortgagee in accordance with the terms of this Mortgage. The term "rents, income, issues and profits" refer to any monies that Mortgagor may receive by using the Land for income producing purposes;

TOGETHER with all right, title and interest of Mortgagor in and to all other "general intangibles," "accounts" and "proceeds" (as such terms are defined in the Uniform Commercial Code) arising with respect to the property covered by this Mortgage and with respect to which

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Mortgagee shall have all of the rights and remedies of a secured party under the Uniform Commercial Code;

TOGETHER with, to the extent transferable by Mortgagor, all franchises, permits, licenses and other rights respecting the use, occupation and operation of the Premises and the activities conducted thereon and therein;

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AND Mortgagor covenants with Mortgagee as follows:

A. REPRESENTATIONS AND WARRANTIES. Mortgagor represents and warrants that, as of the date hereof, and at all times thereafter during the term hereof:

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1. Warranty of Title. Mortgagor is seized of an indefeasible estate in fee simple in, and has good and marketable title to the Premises, the Improvements and the Equipment and has good right, full power and lawful authority to mortgage, pledge, grant and convey the same as provided herein, and Mortgagee, subject to the terms of this Mortgage, may at all times peaceably and quietly enter upon, hold, occupy and enjoy the Premises in accordance with the terms hereof;

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2. Binding Obligations. This Mortgage, the Note and the Loan Documents are valid and binding obligations enforceable in accordance with their respective terms, subject as to enforceability to the availability of equitable relief and to the effect of applicable bankruptcy, arrangement or insolvency laws and other similar state and federal laws affecting the enforcement of creditor's rights generally, and the execution and delivery thereof do not contravene any contract or agreement to which Mortgagor is a party or by which Mortgagor or any of its properties may be bound, and do not contravene any law, order, decree, rule or regulation to which Mortgagor is subject;

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3. Authority. If Mortgagor is a corporation, or if Mortgagor is a partnership and the general partner or directing partner thereof is a corporation, the execution of this Mortgage has been duly authorized by the board of directors of Mortgagor or said general partner or directing partner, as the case may be. If Mortgagor is a limited liability company, the execution of this Mortgage has been duly authorized by each member and manager of Mortgagor, and, to the extent that any member or manager of Mortgagor is a limited liability company, corporation or partnership, by each member, board of directors and/or partner, as the case may be, of each such member entity or manager entity. The Premises is not and shall not be used as a residence for Mortgagor, any of Mortgagor's members or partners, or Mortgagor's members' or partners' family members and relatives.

4. Secured Indebtedness; Loan Documents. This Mortgage and the grants, assignments and transfers made hereunder are also given for the purpose of securing the performance of all other obligations of Mortgagor contained herein and in the Note or in any other documents other than the Note and this Mortgage now or hereafter executed by Mortgagor and/or CHRISTOPHER ANGELO ROUSSIS and CHRISTOPHER ROBERT WAHL, JOINTLY AND SEVERALLY (collectively, the "**Guarantor**") with or in favor of Mortgagee, which wholly or partially evidence, secure or guaranty payment of the Note, including that certain Guaranty (the "**Guaranty**") executed by Guarantor of even date hereof (collectively, the "**Loan Documents**") and the performance of each obligation of Mortgagor contained in any renewal, extension, amendment,

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modification, consolidation, change of, or substitution or replacement for, all or any part of this Mortgage, the Note or the Loan Documents.

B. **MORTGAGOR COVENANTS.** Mortgagor covenants and agrees that:

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1. Payment of the Indebtedness. Mortgagor shall pay all Indebtedness evidenced by the Note at the time and in the manner provided in the Note and in this Mortgage in lawful money of the United States of America.

2. Payment of Other Obligations Secured. Mortgagor shall pay the following, in such order of priority as Mortgagee may determine in its sole discretion: (a) the Indebtedness (as such term is defined in the Note); (b) all interest, prepayment premiums, default interest, late charges and other sums, as provided in the Note, this Mortgage or the Loan Documents; (c) all other moneys agreed or provided to be paid by Mortgagor in the Note, this Mortgage or the Loan Documents; and (d) such additional amounts as may be incurred, paid out or advanced by Mortgagee under any provision of this Mortgage, the Note and Loan Documents and costs and expenses incurred by Mortgagee in connection with the Indebtedness or any part thereof, any renewal, extension, or change of or substitution for the Indebtedness or any part thereof, or the acquisitions or perfection of the security therefor, whether made or incurred at the request of Mortgagor or Mortgagee.

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3. Incorporation by Reference. All the covenants, conditions and agreements contained in the Note and the Loan Documents are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein.

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4. Performance of Obligations. Mortgagor shall perform and keep each promise, agreement and obligation of Mortgagor (a) contained in this Mortgage or incorporated in this Mortgage by reference or contained in any documents executed by Mortgagor relating to the loan which this Mortgage secures, and (b) required to be performed by Mortgagor in accordance with the terms of any lease, as well as any other document which creates or defines Mortgagor's rights in the Premises.

5. Maintain Good Standing. If Mortgagor is a corporation, partnership or limited liability company, then Mortgagor shall maintain, preserve and keep in full force and effect, at all times, its existence, good standing, franchises, rights and privileges as an entity under the laws of the state of its organization and the state in which the Premises is located and its right to own and operate the Premises and to transact business in such state(s).

6. Single Purpose Entity. Until such time as the Indebtedness is paid in full, Mortgagor has not and shall not: (a) engage in any business or activity other than the ownership, operation, development and maintenance of the Premises and activities incidental thereto; (b) acquire or own any material assets other than (i) the Premises, and (ii) such personal property as may be necessary for the operation of the Premises; (c) merge into or consolidate with any person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case Mortgagee's prior written consent; (d) fail to preserve its existence as an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or formation, or without the

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prior written consent of Mortgagee, amend, modify, terminate or fail to comply with the provisions of Mortgagor's partnership agreement, articles or certificate of incorporation or similar organizational documents, as the case may be, as same may be further amended or supplemented, if such amendment, modification, termination or failure to comply would adversely affect the ability of Mortgagor to perform its obligations hereunder, under the Note or under the Loan Documents; (e) own any subsidiary or make any investment in, any person or entity without the prior written consent of Mortgagee; (f) commingle its assets with the assets of any of its general partners, affiliates, principals or of any other person or entity; (g) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the Indebtedness, and trade payables in the ordinary course of its business of owning and operating the Premises, provided that such debt is paid within sixty (60) days of when incurred; (h) become insolvent and fail to pay its debts and liabilities from its assets as the same shall become due; (i) fail to maintain its records, books of account and bank accounts separate and apart from those of the general partners, principals and affiliates of Mortgagor, the affiliates of a general partner of Mortgagor, and any other person or entity; (j) enter into any contract or agreement with any general partner, principal or affiliate of Mortgagor, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any general partner, principal or affiliate of Mortgagor; (k) seek the dissolution or winding up in whole, or in part, of Mortgagor; (l) maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of any general partner, principal or affiliate of Mortgagor, or any general partner, principal or affiliate thereof or any other person; (m) hold itself out to be responsible for the debts of another person; (n) make any loans or advances to any third party, including any general partner, principal or affiliate of Mortgagor, or any general partner, principal or affiliate thereof; (o) fail to file its own tax returns to the extent required; (p) fail either to hold itself out to the public as a legal entity separate and distinct from any other entity or person or to conduct its business solely in its own name in order not (i) to mislead others as to the identity with which such other party is transacting business, or (ii) to suggest that Mortgagor is responsible for the debts of any third party (including any general partner, principal or affiliate of Mortgagor, or any general partner, principal or affiliate thereof); (q) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; or (r) file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors.

C. RIGHTS, AGREEMENTS AND OBLIGATIONS OF MORTGAGOR.

1. Use of Premises; Zoning. If at any time the then existing use or occupancy of the Premises shall, pursuant to any zoning or other law, rule, regulation or ordinance, be permitted only so long as such use or occupancy shall continue, Mortgagor will not cause or permit such use or occupancy to be discontinued without the prior written consent of Mortgagee; and Mortgagor will not initiate, join in, or consent to any change in any private restrictive covenant, zoning ordinance, or other public or private restrictions, limiting or defining the uses which may be made of the Premises or any part thereof.

2. Security Agreements. Mortgagor hereby grants to Mortgagee a security interest in and to all of Mortgagor's right, title and interest in and to any Equipment. This Mortgage shall

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of this Mortgage or for filing, registering or recording this Mortgage, or for complying with all applicable laws. Mortgagor, on demand, will execute and deliver and hereby authorizes Mortgagee to execute in the name of Mortgagor or without the signature of Mortgagor to the extent Mortgagee may lawfully do so, one or more financing statements, chattel mortgages or other instruments, to evidence more effectively the security interest of Mortgagee in the Premises. Mortgagor grants to Mortgagee an irrevocable power of attorney coupled with an interest, for the purpose of exercising and perfecting any and all rights and remedies available to Mortgagee at law and in equity, including without limitation such rights and remedies available to Mortgagee pursuant to this Section C(20).

D. EVENTS OF DEFAULT.

1. Events of Default. Each of the following events will constitute an "**Event of Default**" under this Mortgage:

(a) Mortgagor fails to pay any amount due to Mortgagee under the Note or under this Mortgage when due;

(b) Mortgagor fails to pay any Taxes, water rate, sewer rate or assessment when due (an assessment which has been made payable in installments at the application of Mortgagor or lessee of the Premises, or portion thereof, shall nevertheless, for the purposes hereof, be deemed due and payable in its entirety on the day the first installment becomes due or payable or becomes a lien against the Premises) or fails to furnish to Mortgagee, within ten (10) days after request thereof is made, evidence that such Taxes, water rates, sewer rates and assessments are or have been timely paid prior to delinquency;

(c) Mortgagor fails to keep, observe or perform any other promise, condition or agreement contained in the Note, this Mortgage, the Loan Documents or any other documents described herein or delivered in connection herewith or is otherwise in default under the terms, covenants and conditions of the Note, this Mortgage and the Loan Documents, and such failure or default is not remedied within fifteen (15) days after notice to Mortgagor thereof, provided, however, that if such failure or default is not capable of being cured or remedied within said fifteen (15) day period, then if Mortgagor fails to promptly commence to cure the same and thereafter diligently prosecute such cure to completion but in any event within thirty (30) days after notice thereof;

(d) There is any actual or threatened waste, alteration, removal or demolition of any building or other improvement on the Premises, or any part thereof, without the prior written consent of Mortgagee;

(e) Mortgagor shall abandon the Premises or any part thereof for more than fifteen (15) consecutive days;

(f) Mortgagor changes or permits to be changed the character or use of the Premises or Mortgagor uses or permits the Premises to be used for any unlawful purpose or any purpose by which the risk of fire or other hazard is increased, unless Mortgagee gives its prior written consent to such changed or unauthorized use;

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(g) Mortgagor sells, transfers, assigns, conveys, alienates and/or encumbers the Premises, or any part thereof, or any interest therein, or any rents, issues or profits arising from the Premises, without Mortgagee's prior written consent;

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(h) Except for advance rent and security deposits which are payable by a tenant upon execution of a new lease covering all or a portion of the Premises, Mortgagor receives or collects rent from any tenant of all or any part of the Premises for more than one (1) month in advance or otherwise shall do or suffer to be done anything whereby the security of this Mortgage shall be materially impaired, in the judgment of Mortgagee, by virtue of the impairment of the rents of the Premises;

(i) Mortgagor fails to duly account to Mortgagee's satisfaction at such time or times as Mortgagee may require for any of the security or proceeds thereof coming into the control of Mortgagor;

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(j) Mortgagor fails to comply, within thirty (30) days after obtaining knowledge thereof, with any requirement, order or notice of violation of a law or ordinance relating to the Premises issued by any governmental authority claiming jurisdiction over the Premises;

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(k) Any action or proceeding is commenced by any governmental authority with respect to curing violations or maintenance of the Premises, which is not dismissed within thirty (30) days thereafter;

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(l) Mortgagor fails to assign and deliver to Mortgagee, within ten (10) days after notice and demand is made to the extent same can be assigned and delivered, the policies insuring the buildings against loss by fire, or fails to timely reimburse Mortgagee for premiums paid on such insurance to the extent paid by Mortgagee;

(m)Mortgagor fails, within thirty (30) days after request therefor is made, to deliver to Mortgagee confirmation of the amount due on this Mortgage and whether any offsets or defenses exist against the mortgage debt;

(n) Any fixture, chattel or article of personal property covered by this Mortgage is wholly or partially removed, demolished or destroyed, unless (1) the same are promptly replaced by similar fixtures, chattels or articles of personal property of a quality at least equal to the item or article removed, demolished or destroyed, (2) Mortgagor is the sole owner of the replacement property and (3) such replacement property is free from any lien, claim, chattel mortgage or other encumbrance and free from any reservation of title thereto;

(o) If Mortgagor fails to pay any mortgage recording tax assessed on this Mortgage;

(p) A receiver, liquidator or trustee shall be appointed for Mortgagor or for any of its property, an assignment shall be made for the benefit of creditors, Mortgagor shall be adjudicated as bankrupt or insolvent, or any petition for bankruptcy, reorganization or arrangement pursuant to the Bankruptcy Reform Act of 1978 codified as 11 U.S.C. §101 et seq., and the regulations issued thereunder, both as hereafter modified from time to time (the "**Federal Bankruptcy Code**"), or any similar federal or state statute, shall be filed by or against Mortgagor,

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unless such appointment, assignment, adjudication or petition was involuntary, in which event only if the same is not discharged, stayed or dismissed within thirty (30) days;

(q) A final judgment for the payment of money shall be rendered against Mortgagor which materially adversely affects Mortgagor's ability to make payments under this Note and Mortgagor shall not discharge the same or cause it to be discharged within thirty (30) days from the entry thereof, or shall not appeal therefrom or from the order, decree or process upon which or pursuant to which said judgment was granted, based or entered within the time allowed for such appeal, or shall not thereafter secure a stay of execution pending such appeal;

(r) Mortgagor shall have concealed, removed and/or permitted to be concealed or removed any substantial part of its property and/or assets with the intent to hinder, delay or defraud Mortgagee of any of its property and/or assets which may be fraudulent under any federal or state bankruptcy, fraudulent conveyance or similar law now or hereafter enacted, or if Mortgagor shall have made any transfer of any of its property and/or assets to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or if Mortgagor shall have suffered or permitted to be suffered, while insolvent, any creditor to obtain a lien upon any of its property and/or assets through legal proceedings or distraint which is not vacated within thirty (30) days from the date of entry thereof;

(s) Any of the events enumerated in this Section shall happen to any Guarantor or any of its property, and such event or occurrence is not remedied or cured within thirty (30) days after written notice thereof;

(t) Any Guarantor defaults under or attempts to withdraw, cancel or disclaim liability under any guaranty or guaranties given to Mortgagee. Notwithstanding anything to the contrary contained herein or in any of the Loan Documents, the death, disability, or incapacity of the Guarantor shall constitute an Event of Default under this Mortgage, the Note and the Loan Documents;

(u) Mortgagor or any Guarantor defaults under any other note, instrument, agreement, pledge, mortgage or encumbrance evidencing and/or securing the Indebtedness or any other indebtedness of Mortgagor including, without limitation, the Building Loan Documents (as hereinafter defined);

(v) If, without the written consent of Mortgagee, the interest of any member of Mortgagor is assigned or transferred, or the manager of Mortgagor withdraws, resigns or is replaced; or

(w) The occurrence of any other Event of Default referenced in the Note or any other Loan Document.

E. **REMEDIES OF MORTGAGEE.** Upon the occurrence of an Event of Default, Mortgagee possesses certain rights and remedies, among which are the following:

1. Failure of Mortgagor to Comply with this Mortgage. Upon the occurrence of an Event of Default, Mortgagee may (a) take whatever action Mortgagee deems necessary to protect the security of this Mortgage, including enter upon the Premises for such purposes; (b) pay,

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purchase, contest or compromise any encumbrance, charge or lien which Mortgagee deems to be superior to this Mortgage and (c) perform such act or pay such charge on behalf of Mortgagor. Mortgagee has no obligation to take any such actions and, if it chooses to take action, may do so without notice or demand upon Mortgagor and without releasing Mortgagor from any obligation under this Mortgage. If Mortgagee takes any such action, Mortgagor agrees to repay, immediately upon demand, any amounts expended by Mortgagee plus interest at the rate set forth in the Note, which amounts plus interest shall be secured by this Mortgage.

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2. Mortgagee's Right to the Appointment of a Receiver.

(a) If Mortgagee initiates an action to foreclose on this Mortgage or in the event of any actual or threatened waste to any part of the Premises, Mortgagee will be entitled to have the court appoint a receiver. The receiver may be appointed without Mortgagee giving notice to Mortgagor thereof and without regard to the value of the Premises as security for the Indebtedness secured hereby, or the solvency or insolvency of any person then liable for the payment of the Indebtedness.

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(b) Following an Event of Default, a receiver for the Premises may be appointed upon the application of Mortgagee, which application Mortgagor hereby agrees not to contest. Mortgagee or any receiver of the Premises may at any time or from time to time, in its or his/her discretion, make advances to effect performance of such covenant on behalf of Mortgagor; and all monies so advanced by Mortgagee or such receiver, together with interest thereon, shall be deemed a part of the Indebtedness secured by the lien of this Mortgage.

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3. Mortgagee's Right to the Appointment of a Managing Agent. If, at any time following an Event of Default, the management or maintenance of the Premises shall be determined by Mortgagee to be unsatisfactory, Mortgagor shall employ, for the duration of such default, as managing agent of the Premises such person or firm as, from time to time, shall be approved by Mortgagee, in its reasonable discretion.

4. Acceleration Clause: Right of Mortgagee to Declare All Sums Due. Upon the occurrence of any Event of Default, Mortgagee will have the right, at its option, to declare any Indebtedness and obligations secured by this Mortgage, irrespective of the maturity date specified in the Note or any note or agreement evidencing the same, due and payable immediately upon such declaration.

5. Payment of Rent.

(a) Mortgagor will, following an Event of Default, pay monthly in advance to Mortgagee, or to any receiver appointed to collect said rents, issues and profits, the fair and reasonable rental value for the use and occupation of the Premises or of such part thereof as may be used and occupied by Mortgagor, and upon default in any such payment will vacate and surrender possession of the Premises to Mortgagee or to such receiver. If Mortgagor fails to so surrender possession of the Premises, Mortgagor may be evicted by summary dispossess proceedings, and Mortgagee reserves the remedy of ejectment.

(b) In the event there is a foreclosure sale hereunder and at the time of such sale, Mortgagor or Mortgagor's representatives, successors or assigns, or any other persons claiming any